

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

Independent Auditors' Report and
Financial Statement

For the Year Ended June 30, 2012

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 386
Madison, Kansas 66860

We have audited the summary statement of cash receipts, expenditures and unencumbered cash balances of Unified School District No. 386, Madison, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the Unified School District No. 386's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Unified School District No. 386 has prepared the financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 386 as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 386,

Madison, Kansas, as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the June 30, 2012 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual, schedule of cash receipts and cash disbursements-agency funds, schedule of cash receipts, expenditures and unencumbered cash (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the June 30, 2012 financial statement. Such information is the responsibility of management and the June 30, 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement. The June 30, 2012 information has been subjected to the auditing procedures applied in the audit of the June 30, 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement or to the June 30, 2012 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the June 30, 2012 financial statement as a whole.

The June 30, 2011 Actual column presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2011 financial statement upon which we rendered an unqualified opinion dated December 9, 2011. The June 30, 2011 financial statement and our accompanying report are not presented herein, but are available from the Unified School District No. 386 administration office located at 100 N. 3rd St. Madison, Kansas 66860 or by calling 620-437-2910. Such June 30, 2011 comparative information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the June 30, 2011 financial statements. The June 30, 2011 comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2011 financial statement or to the June 30, 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2011 comparative information is fairly stated in all material respects in relation to the June 30, 2011 financial statement as a whole.

Bird & Company, Chartered

El Dorado, Kansas
November 9, 2012

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2012**

Fund	Beginning Unencumbered Cash Balance, As Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds:							
General	\$ 27	\$ -	\$ 2,068,024	\$ 2,068,051	\$ -	\$ 184,480	\$ 184,480
Supplemental general	10,211	-	627,408	600,229	37,390	28,508	65,898
Special Revenue Funds:							
At risk (4 year old)	-	-	19,050	19,050	-	3,175	3,175
At risk (K-12)	40,025	-	251,949	245,000	46,974	38,560	85,534
Capital outlay	295,560	-	2,020	41,077	256,503	41,077	297,580
Driver training	10,000	-	2,162	2,686	9,476	173	9,649
Food service	60,284	-	186,825	192,551	54,558	25,979	80,537
Professional development	20,000	95	5,924	11,019	15,000	55	15,055
Special education	40,000	-	325,442	325,442	40,000	-	40,000
Vocational education	814	541	30,227	31,582	-	4,167	4,167
KPERS special retirement	-	-	159,901	159,901	-	-	-
Contingency reserve	202,646	-	-	-	202,646	-	202,646
Gifts and grants	1,283	-	9,530	8,487	2,326	-	2,326
Textbook & student material revolv.	12,244	-	11,090	11,392	11,942	-	11,942
Title I, Part A - Improving Acad.	-	-	50,620	50,620	-	8,437	8,437
Title II, Part A - Teacher quality	-	-	18,565	18,565	-	3,096	3,096
District activity funds	1,414	-	23,892	21,524	3,782	-	3,782
Capital Projects Funds:							
Capital Project - QZAB	-	-	43	41	2	-	2
Fiduciary Type Funds:							
Expendable Trusts	500	-	750	500	750	-	750
Total Reporting Entity (Excluding Agency Funds)	\$ 695,008	\$ 636	\$ 3,793,422	\$ 3,807,717	\$ 681,349	\$ 337,707	\$ 1,019,056

Composition of Cash:

Petty Cash	\$ 2,000
Checking and Money Market-First Community Bank	689,991
Certificate of deposit-First Community Bank	325,000
BOK Financial - BKC Cash fund I	2
Activity accounts-First Community Bank	20,911
Scholarship account-First Community Bank	750
Total Cash	1,038,654
Agency Funds per Statement 4	(19,598)
Total Reporting Entity (Excluding Agency Funds)	\$ 1,019,056

The notes to the financial statement are an integral part of this statement.

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MADISON, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Unified School District No. 386, Madison, Kansas, is a municipal corporation governed by an elected seven-member board. These financial statements present USD No. 386 (the primary government). There are no component units as defined in Governmental Accounting Standards Boards Statement 14 which are included in the District's reporting entity.

Reimbursements

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into two categories: Governmental and Fiduciary. Within each of these two categories there are one or more fund types.

The following types of funds comprise the financial activities of the District:

Governmental Type Funds

General Funds - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for all proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specified purposes.

Capital Projects Funds - to account for all resources to be expended on a particular capital project.

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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

Fiduciary Type Funds

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds and Student Organization Funds.

Basis of Accounting

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

**UNIFIED SCHOOL DISTRICT NO. 386
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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

Contingency Reserve	Title Programs
Gifts and Grants	Textbook & Student Material Revolving
District Activity Funds	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Management is not aware of any Kansas statutory violations for the fiscal year ended June 30, 2012.

NOTE 3: DEPOSITS AND INVESTMENTS

As of June 30, 2012, Unified School District No. 386 did not have any investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$1,038,652 and the bank balance was \$925,207. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$254,004 was covered by federal depository insurance and the balance of \$671,203 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 4: DEFINED BENEFIT PENSION PLAN

Plan Description. Unified School District No. 386 participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603-3869) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all

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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$159,901, \$97,454, and \$111,450.

NOTE 5: LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Certificates of Participation:										
Series 2011 (Note 7)	0.0%	June 21, 2011	\$600,000	06/21/2023	<u>\$600,000</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$600,000</u>	<u>\$ -</u>
Total contractual Indebtedness					<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Total Long-Term Debt					<u>\$600,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$600,000</u>	<u>\$ -</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2022</u>	<u>2023-2027</u>	<u>Total</u>
Principal:								
Certificates of Participation	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$600,000</u>	<u>\$ 600,000</u>
Total Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Interest:								
Certificates of Participation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Principal and Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$600,000</u>	<u>\$600,000</u>

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 6: LEASE PURCHASE AGREEMENTS

The District is leasing its real property located in Greenwood County, Kansas to Southwest Trust Company (the Trustee) for a term commencing on June 21, 2011 and ending on June 21, 2023. Under this lease, the Trustee will provide up to \$600,000 to acquire, construct and equip energy improvements to the existing Madison elementary and Madison Junior/Senior High School including boiler, lighting, mechanical, plumbing, other energy efficient upgrades and resurfacing of the track. As of June 30, 2012, \$600,041 had been expended from the Southwest Trust Company USD No. 386 2011 Project Fund Account for the cost of QZAB bonds issuance and the energy improvements project. The remaining costs were paid with funds from the District.

Southwest Trust Company will then lease the real property and improvements to the District pursuant to a Lease Purchase Agreement dated June 21, 2011. Under the Lease Purchase Agreement, the District is obligated to make payments to the Trustee (the Basic Rent Payments). The agreement requires a basic rent payment in the amount of \$600,000 with a due date of June 21, 2023. The annual average effective interest rate of the Lease Purchase is 0%. The leases each provide for early terminations in the event of the happening of certain contingencies. The Lease contains various other covenants, terms and conditions. Copies of these documents are on file in the office of the Clerk of the District. The Lease Purchase Agreement has been designated by the District as a Qualified Zone Academy Bond pursuant to Sections 54A and 54E of the Internal Revenue Code, pursuant to an allocation received from the Kansas Department of Education.

The District entered a two year lease with Apple, Inc. on June 11, 2012 for 290 Apple I-Pads. The agreement requires two annual payments of \$47,097 for a total lease commitment of \$94,194 and has a fair market value purchase clause at the end of the rental period. The first payment of \$47,097 was paid during the fiscal year ended June 30, 2012 and the remaining rent payment will be due during the fiscal year ending June 30, 2013.

NOTE 7: CERTIFICATES OF PARTICIPATION, SERIES 2011

The District issued Certificates of Participation, Series 2011, in the aggregate principal amount of \$600,000 to Citizens State Bank, Madison, Kansas for the purchase price of \$600,000 on June 21, 2011 and the proceeds were immediately deposited with Southwest Trust Company for the purpose of providing funds for construction of the Improvements. These Certificates of Participation, Series 2011, evidence interests in basic rent payments to be made by the District,

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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

pursuant to the Lease Purchase Agreement designated as Energy Qualified Zone Academy Bonds (QZABs), dated June 21, 2011 with Southwest Trust Company.

Pursuant to the Lease Purchase Agreement (see Note 6), the proceeds of the Series 2011 Certificates together with other available funds of the District are to be applied (i) to acquire, construct and equip energy improvements to the existing Madison elementary and Madison Junior/Senior High School including boiler, lighting, mechanical, plumbing and other energy efficient upgrades, and (ii) to pay the costs of issuance of the Certificates. The improvements financed with the proceeds of the Series 2011 Certificates are hereinafter referred to as the "Improvements."

The Series 2011 Certificates are payable solely from the Basic Rent Payments made by the District under the Lease Purchase Agreement as specified above in Note 6. The Series 2011 Certificates are further secured by the Improvements under the Lease Purchase Agreement.

The Declaration of Trust by Southwest Trust Company for the Certificates of Participation, Series 2011, requires a Series 2011 Sinking Fund Account. It is to be established by the District, held with the Purchaser (Citizens State Bank) and the District agrees to make a deposit on June 21 of each year, commencing June 21, 2012, in the amount of \$50,000. The District agrees to direct the purchaser to transfer amounts on deposit in the Series 2011 Sinking Fund to the Trustee at any time basic rent is due under the lease and the amounts transferred to the Trustee shall be treated as payments of basic rent under the lease. The District agrees not to make any withdrawals from the Sinking Fund unless a Directive shall have been obtained to consent to such withdrawal.

There has been a deposit of \$50,000 to the Sinking Fund during the fiscal year ended June 30, 2012.

NOTE 8: INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General	Professional Development	K.S.A. 72-6428	\$ 5,924
General	Special Education	K.S.A. 72-6428	262,771
General	Vocational Education	K.S.A. 72-6428	8,546
General	At Risk (4 Year Old)	K.S.A. 72-6428	19,050

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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

General	At Risk (K-12)	K.S.A. 72-6428	250,528
Supplemental General	Food Service	K.S.A. 72-6433	34,982
Supplemental General	Special Education	K.S.A. 72-6433	61,467
Supplemental General	Vocational Education	K.S.A. 72-6433	19,995

NOTE 9: COMPENSATED ABSENCES

Sick leave is available to certified and classified staff and is issued according to the individuals work day. Employees will accrue fifteen days of sick leave a year accumulative to 80 days. Excess sick leave beyond 80 days is paid to the employee on the June payroll each year. Certified staff receives compensation of \$30 for each day of excess sick leave and classified staff is paid \$20 for each excess sick leave day. In addition, upon retirement, teachers and classified staff with a minimum of fifteen years of service with U.S.D. No. 386 will be given a stipend of \$5 per day to be paid for their sick leave accumulation not to exceed 80 days.

NOTE 10: OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. The District pays 100% of the health insurance premium for one retired certified employee and \$300.00 per month toward the health insurance premium for one retired certified employee who met certain conditions as specified in the negotiated agreement applicable to the time period in which they retired. The benefits are discontinued after five years or when the participant qualifies for Medicare, whichever comes first. The District paid retiree health insurance benefit is not available for those electing to retire after May 30, 2010. During the year ended June 30, 2012, two retirees participated in the plan and the District paid \$4,596 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 12: FEDERAL GRANT CONTINGENCY

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 13: PRIOR PERIOD ADJUSTMENTS

Following the requirements of a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$165,670) to \$27 in the General Fund and from \$(4,396) to \$10,211 in the Supplemental General Fund. The technical amendment is following the statutory state aid revenue recognition as required by K.S.A. 72-6417(d) and K.S.A. 72-6434(d). The state aid payment that is received subsequent to the end of the fiscal year is recorded as an in-substance receipt in transit and included as a receipt for the fiscal year that matches the budget to which it applies. The balances have been adjusted for this change in policy.

During the fiscal year ended June 30, 2012, the District identified certain prior year cash receipts and expenditure transactions that had been included in the notes to the financial statements for the fiscal year ended June 30, 2011, but should have also been presented on an individual fund schedule. The financial statement presentation has been corrected during fiscal year 2012 for the Capital Project Fund – QZAB and the cash balance at June 30, 2011 has been restated as follows:

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Capital Project Fund – <u>QZAB</u>
Unencumbered cash, June 30, 2011 (Original)	\$ 0
Certificates of Participation Cash Receipts	600,000
Costs of Issuance	(12,000)
Energy Improvement Project Encumbrance	<u>(588,000)</u>
Unencumbered cash, June 30, 2011 (Restated)	<u>\$ 0</u>

NOTE 14: SUBSEQUENT EVENTS

The effects on the financial statement of subsequent events have been evaluated by management through November 9, 2012, which is the date the financial statement was available to be issued.

NOTE 15: RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2012, the District employed an immediate family member that was related to two of the District's board members as a building secretary.

NOTE 16: CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project <u>Authorization</u>	Cash Disbursements And Accounts Payable <u>To Date</u>
Energy Improvements	\$591,176	\$591,176

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

Supplementary Information

For the Year Ended June 30, 2012

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

FOR THE YEAR ENDED JUNE 30, 2012

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over (Under)</u>
Governmental Type Funds:						
General Funds:						
General	2,138,320	(84,646)	14,377	2,068,051	2,068,051	-
Supplemental general	548,700	-	51,529	600,229	600,229	-
Special Revenue Funds:						
At Risk (4 year old)	19,050	-	-	19,050	19,050	-
At Risk (K-12)	245,000	-	-	245,000	245,000	-
Capital outlay	295,492	-	-	295,492	41,077	254,415
Driver training	16,776	-	-	16,776	2,686	14,090
Food service	275,000	-	-	275,000	192,551	82,449
Professional development	25,000	-	-	25,000	11,019	13,981
Special education	418,400	-	-	418,400	325,442	92,958
Vocational education	50,815	-	-	50,815	31,582	19,233
KPERS Special Retirement	178,341	-	-	178,341	159,901	18,440

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**GENERAL FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Ad valorem tax	\$ 231,942	\$ 248,402	\$ 228,311	\$ 20,091
Delinquent tax	1,811	1,526	5,345	(3,819)
Mineral tax	2,161	2,981	2,200	781
State aid	1,530,974	1,537,010	1,560,983	(23,973)
State aid - Special education	203,790	262,771	259,481	3,290
Federal funds - ARRA	36,314	-	-	-
Federal funds - Education Jobs	63,586	957	-	957
Transfers from authorized funds	-	-	82,000	(82,000)
Other local revenue	17,751	14,377	-	14,377
Total Cash Receipts	2,088,329	2,068,024	\$ 2,138,320	\$ (70,296)
Expenditures:				
Instruction	882,251	898,110	925,095	26,985
Instruction - ARRA	36,314	-	-	-
Instruction - Education Jobs	54,538	957	-	(957)
Student support services	86,175	90,753	94,104	3,351
Student support services - Education Jobs	4,671	-	-	-
Instructional support staff	11,932	19,759	23,000	3,241
General administration	144,145	154,720	179,678	24,958
School administration	160,262	166,137	174,933	8,796
School administration - Education Jobs	4,377	-	-	-
Operations & maintenance	120,642	127,047	125,145	(1,902)
Student transportation serv	61,189	62,657	61,760	(897)
Vehicle services & maint services	2,404	-	6,000	6,000
Other student transportation svcs	913	1,092	700	(392)
Transfer to:				
Capital Outlay	20,000	-	34,374	34,374

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**GENERAL FUND (Continued)
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Professional development	13,144	5,924	5,000	(924)
Special education	203,790	262,771	259,481	(3,290)
Vocational education	17,854	8,546	25,000	16,454
At Risk (4 year old)	18,850	19,050	19,050	-
At Risk (K-12)	216,422	250,528	205,000	(45,528)
Adjustment to Comply with Legal Max	-	-	(84,646)	(84,646)
Legal General Fund Budget	2,059,873	2,068,051	2,053,674	(14,377)
Adjustment for Qualifying Budget Credits	-	-	14,377	14,377
Total Expenditures	2,059,873	2,068,051	\$ 2,068,051	\$ -
 Cash Receipts Over (Under) Expenditures	 28,456	 (27)		
Unencumbered Cash, Beginning as Previously Stated	(194,154)	(165,670)		
Prior Period Adjustment	-	165,697		
Unencumbered Cash, Beginning as Restated	-	27		
 Prior Year Canceled Encumbrances	 28	 -		
 Unencumbered Cash, Ending	 \$ (165,670)	 -		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**SUPPLEMENTAL GENERAL FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Ad valorem tax	\$ 313,659	\$ 307,755	\$ 286,033	\$ 21,722
Delinquent tax	2,542	3,275	7,267	(3,992)
Vehicle tax	38,724	43,762	45,757	(1,995)
Recreational vehicle tax	573	740	699	41
Mineral production tax	428	383	-	383
State aid	275,742	219,964	212,044	7,920
Federal funds - Carl Perkins	-	900	-	900
Other local revenue	45,316	50,629	-	50,629
Total Cash Receipts	676,984	627,408	\$ 551,800	\$ 75,608
Expenditures:				
Instruction	119,508	77,062	23,581	(53,481)
Student support services	42,730	59,714	25,000	(34,714)
Instructional support staff	-	1,516	-	(1,516)
Operations & maintenance	230,689	247,803	218,200	(29,603)
Student transportation services	21,857	28,759	-	(28,759)
Vehicle operating services	66,208	30,263	30,000	(263)
Vehicle services & maintenance services	21,051	38,668	23,000	(15,668)
Transfer to:				
Driver training	2,547	-	5,000	5,000
Food service	44,646	34,982	80,000	45,018
Special education	77,860	61,467	118,919	57,452
Vocational education	34,000	19,995	25,000	5,005
At Risk (K-12)	-	-	-	-
Legal General Fund Budget	661,096	600,229	548,700	(51,529)
Adjustment for Qualifying Budget Credits	-	-	51,529	51,529
Total Expenditures	661,096	600,229	\$ 600,229	\$ -
Cash Receipts Over (Under) Expenditures	15,888	27,179		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**SUPPLEMENTAL GENERAL FUND (Continued)
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012		Variance- Over (Under)
		Actual	Budget	
Unencumbered Cash, Beginning as Previously Stated	(20,284)	(4,396)		
Prior Period Adjustment	-	14,607		
Unencumbered Cash, Beginning as Restated	-	10,211		
Unencumbered Cash, Ending	<u>\$ (4,396)</u>	<u>\$ 37,390</u>		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**AT RISK FUND (4 YEAR OLD)
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Transfer from General	\$ 18,850	\$ 19,050	\$ 19,050	\$ -
Total Cash Receipts	18,850	19,050	\$ 19,050	\$ -
Expenditures:				
Instruction	18,850	19,050	19,050	-
Total Expenditures	18,850	19,050	\$ 19,050	\$ -
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**AT RISK FUND (K-12)
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011			Over
	Actual	Actual	Budget	(Under)
Cash Receipts:				
Transfer from General	\$ 216,422	\$ 250,528	\$ 205,000	\$ 45,528
Other local revenue	6,538	1,421	-	1,421
Total Cash Receipts	<u>222,960</u>	<u>251,949</u>	<u>\$ 205,000</u>	<u>\$ 46,949</u>
Expenditures:				
Instruction	<u>208,782</u>	<u>245,000</u>	<u>245,000</u>	<u>-</u>
Total Expenditures	<u>208,782</u>	<u>245,000</u>	<u>\$ 245,000</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	14,178	6,949		
Unencumbered Cash, Beginning	<u>25,847</u>	<u>40,025</u>		
Unencumbered Cash, Ending	<u>\$ 40,025</u>	<u>\$ 46,974</u>		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**CAPITAL OUTLAY FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

FOR THE YEAR ENDED JUNE 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Interest	\$ 2,275	\$ 817	\$ -	\$ 817
Delinquent tax	57	-	-	-
Other local revenue	757	1,203	-	1,203
Transfer from General	20,000	-	34,374	(34,374)
Total Cash Receipts	23,089	2,020	\$ 34,374	\$ (32,354)
Expenditures:				
Land improvement	19,544	-	200,000	200,000
Architectural & engineering services	18,000	-	-	-
Building Improvements	-	41,077	95,492	54,415
Other	17,244	-	-	-
Total Expenditures	54,788	41,077	\$ 295,492	\$ 254,415
Cash Receipts Over (Under) Expenditures	(31,699)	(39,057)		
Unencumbered Cash, Beginning	322,911	295,560		
Prior year canceled encumbrances	4,348	-		
Unencumbered Cash, Ending	\$ 295,560	\$ 256,503		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**DRIVER TRAINING FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

FOR THE YEAR ENDED JUNE 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
State aid	\$ 1,406	\$ 2,162	\$ 1,776	\$ 386
Transfer from Supplemental general	2,547	-	5,000	(5,000)
Total Cash Receipts	3,953	2,162	\$ 6,776	\$ (4,614)
Expenditures:				
Instruction	3,535	27	7,276	7,249
Vehicle operations, maintenance services	417	2,659	9,500	6,841
Total Expenditures	3,952	2,686	\$ 16,776	\$ 14,090
Cash Receipts Over (Under) Expenditures	1	(524)		
Unencumbered Cash, Beginning	9,999	10,000		
Unencumbered Cash, Ending	\$ 10,000	\$ 9,476		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**FOOD SERVICE FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Student sales - lunch	\$ 47,583	\$ 47,202	\$ 35,461	\$ 11,741
Student sales - breakfast	-	-	11,232	(11,232)
Adult sales	4,626	4,380	15,854	(11,474)
Miscellaneous	6,859	8,271	-	8,271
State aid	1,449	1,507	1,140	367
Federal funds	79,404	90,483	75,373	15,110
Transfer from Supplemental general	44,646	34,982	80,000	(45,018)
Total Cash Receipts	<u>184,567</u>	<u>186,825</u>	<u>\$ 219,060</u>	<u>\$ (32,235)</u>
Expenditures:				
Operations and maintenance	17,216	16,936	18,435	1,499
Food service operation	<u>167,068</u>	<u>175,615</u>	<u>256,565</u>	<u>80,950</u>
Total Expenditures	<u>184,284</u>	<u>192,551</u>	<u>\$ 275,000</u>	<u>\$ 82,449</u>
Cash Receipts Over (Under) Expenditures	283	(5,726)		
Unencumbered Cash, Beginning	<u>60,001</u>	<u>60,284</u>		
Unencumbered Cash, Ending	<u>\$ 60,284</u>	<u>\$ 54,558</u>		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
State aid	\$ 233	\$ -	\$ -	\$ -
Transfer from General	13,144	5,924	5,000	924
Total Cash Receipts	13,377	5,924	\$ 5,000	\$ 924
Expenditures:				
Instructional support staff	12,354	10,039	25,000	14,961
Other supplemental service	1,023	980	-	(980)
Total Expenditures	13,377	11,019	\$ 25,000	\$ 13,981
Cash Receipts Over (Under) Expenditures	-	(5,095)		
Unencumbered Cash, Beginning	20,000	20,000		
Prior Year Canceled Encumbrances	-	95		
Unencumbered Cash, Ending	\$ 20,000	\$ 15,000		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**SPECIAL EDUCATION FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Transfer from Supplemental general	\$ 77,860	\$ 61,467	\$ 118,919	\$ (57,452)
Transfer from General	203,790	262,771	259,481	3,290
Other local revenue	9,026	1,204	-	1,204
Total Cash Receipts	290,676	325,442	\$ 378,400	\$ (52,958)
Expenditures:				
Instruction	271,053	322,565	327,788	5,223
School administration	-	-	33,612	33,612
Vehicle operating services	19,560	2,877	57,000	54,123
Total Expenditures	290,613	325,442	\$ 418,400	\$ 92,958
Cash Receipts Over (Under) Expenditures	63	-		
Unencumbered Cash, Beginning	39,937	40,000		
Unencumbered Cash, Ending	\$ 40,000	\$ 40,000		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**VOCATIONAL EDUCATION FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

FOR THE YEAR ENDED JUNE 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Transfer from General	\$ 17,854	\$ 8,546	\$ 25,000	\$ (16,454)
Transfer from Supplemental general	34,000	19,995	25,000	(5,005)
Federal funds - Carl Perkins	7,831	1,686	-	1,686
Total Cash Receipts	59,685	30,227	\$ 50,000	\$ (19,773)
Expenditures:				
Instruction	69,411	31,582	50,815	19,233
Total Expenditures	69,411	31,582	\$ 50,815	\$ 19,233
Cash Receipts Over (Under) Expenditures	(9,726)	(1,355)		
Unencumbered Cash, Beginning	10,000	814		
Prior Year Canceled Encumbrances	540	541		
Unencumbered Cash, Ending	\$ 814	\$ -		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

FOR THE YEAR ENDED JUNE 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		2012		Variance-
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
State aid	\$ 97,454	\$ 159,901	\$ 178,341	\$ (18,440)
Total Cash Receipts	97,454	159,901	\$ 178,341	\$ (18,440)
Expenditures:				
Instruction	61,396	100,738	112,355	11,617
Student support services	5,847	9,594	10,700	1,106
Instructional support staff	1,949	3,198	3,567	369
General administration	5,847	9,594	10,700	1,106
School administration	6,822	11,193	12,484	1,291
Operations & maintenance	4,873	7,995	8,918	923
Student transportation services	5,847	9,594	10,700	1,106
Food service	4,873	7,995	8,917	922
Total Expenditures	97,454	159,901	\$ 178,341	\$ 18,440
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**CAPITAL PROJECT FUND - QZAB
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Investment income	\$ -	\$ 43
Total Cash Receipts	-	43
Expenditures:		
Energy improvements project	-	41
Total Expenditures	-	41
Cash Receipts Over (Under) Expenditures	-	2
Unencumbered Cash, Beginning	-	-
as Previously Stated	-	-
Prior Period Adjustment	-	-
Unencumbered Cash, Beginning	-	-
as Restated	-	-
Unencumbered Cash, Ending	\$ -	\$ 2

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**CONTINGENCY RESERVE FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Total Cash Receipts	\$ -	\$ -
Expenditures:		
Total Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	202,646	202,646
Unencumbered Cash, Ending	\$ 202,646	\$ 202,646

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**GIFTS AND GRANTS FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Contributions	\$ 1,644	\$ 9,530
	<u>1,644</u>	<u>9,530</u>
Total Cash Receipts		
	<u>1,644</u>	<u>9,530</u>
Expenditures:		
Instruction	6,676	8,487
	<u>6,676</u>	<u>8,487</u>
Total Expenditures		
	<u>6,676</u>	<u>8,487</u>
 Cash Receipts Over (Under) Expenditures	 (5,032)	 1,043
Unencumbered Cash, Beginning	<u>6,315</u>	<u>1,283</u>
Unencumbered Cash, Ending	<u>\$ 1,283</u>	<u>\$ 2,326</u>

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**TEXTBOOK & STUDENT MATERIAL REVOLVING FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Material and rental fees	\$ 33,968	\$ 11,090
Total Cash Receipts	33,968	11,090
Expenditures:		
Instruction	49,743	11,392
Total Expenditures	49,743	11,392
Cash Receipts Over (Under) Expenditures	(15,775)	(302)
Unencumbered Cash, Beginning	28,019	12,244
Unencumbered Cash, Ending	\$ 12,244	\$ 11,942

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**TITLE I, PART A - IMPROVING THE ACADEMIC ACHIEVEMENT OF DISADVANTAGED FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds	\$ 51,111	\$ 50,620
Total Cash Receipts	<u>51,111</u>	<u>50,620</u>
Expenditures:		
Instruction	<u>51,111</u>	<u>50,620</u>
Total Expenditures	<u>51,111</u>	<u>50,620</u>
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**TITLE I, PART A - GRANTS TO LEAS: ARRA
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds - ARRA	\$ 14,609	\$ -
Total Cash Receipts	14,609	-
Expenditures:		
Instruction - ARRA	14,609	-
Total Expenditures	14,609	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**TITLE II, PART A - TEACHER QUALITY FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds	\$ 21,076	\$ 18,565
Total Cash Receipts	21,076	18,565
Expenditures:		
Instruction	21,076	18,565
Total Expenditures	21,076	18,565
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**TITLE II, PART D - EDUCATION TECHNOLOGY FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds	\$ 173	\$ -
	<u>173</u>	<u>-</u>
Total Cash Receipts	<u>173</u>	<u>-</u>
Expenditures:		
Instruction	173	-
	<u>173</u>	<u>-</u>
Total Expenditures	<u>173</u>	<u>-</u>
 Cash Receipts Over (Under) Expenditures	 -	 -
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**TITLE VI, PART B SUBPART 1, RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP) FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds	\$ 37,948	\$ -
Total Cash Receipts	37,948	-
Expenditures:		
Instruction	37,948	-
Total Expenditures	37,948	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
STUDENT ORGANIZATION FUNDS				
MADISON HIGH SCHOOL				
Art Club	\$ 14	\$ 186	\$ 119	\$ 81
Bake Shop	1,441	383	366	1,458
Band	987	352	306	1,033
Economics	1	334	325	10
Elementary Fund	-	696	578	118
Flower Fund	158	115	87	186
Gifted	4	-	-	4
In House Training	905	2,790	2,657	1,038
Library	147	100	134	113
Best Team	68	-	-	68
M-Club (Powerade)	153	75	228	-
Madison Invitational Music Festival	470	1,412	1,050	832
Odyssey of the Mind	1,202	-	16	1,186
Play Performance	1,682	-	-	1,682
Sales Tax	-	5,055	4,997	58
Student Activities	425	4,973	5,121	277
Student Assistance	-	100	31	69
Student Athletics	4,507	23,859	24,829	3,537
STUGO	1,431	3,294	3,606	1,119
TSA - Technology Student Association	30	20	-	50
Vocal Music Fund	2,106	1,093	3,199	-
Interest	197	-	153	44
Class of 2010	224	-	-	224
Class of 2011	27	67	67	27
Class of 2012	589	37,113	37,639	63
Class of 2013	1,727	3,777	3,631	1,873
Class of 2014	1,326	1,556	392	2,490
Class of 2015	289	1,455	500	1,244
Class of 2016	3	280	102	181
Class of 2017	-	72	-	72
	<u>20,113</u>	<u>89,157</u>	<u>90,133</u>	<u>19,137</u>
STUDENT ORGANIZATION FUNDS				
MADISON ELEMENTARY SCHOOL				
Music	12	275	275	12
Sales Tax	-	68	68	-
Student Publications	-	3,733	3,733	-
Student Welfare	57	2,114	1,722	449
	<u>69</u>	<u>6,190</u>	<u>5,798</u>	<u>461</u>
Total	<u>\$ 20,182</u>	<u>\$ 95,347</u>	<u>\$ 95,931</u>	<u>\$ 19,598</u>

**UNIFIED SCHOOL DISTRICT NO. 386
MADISON, KANSAS**

**DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**

FOR THE YEAR ENDED JUNE 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:							
Athletics -							
Madison JH/SH	1,414	-	23,892	21,524	3,782	-	3,782
Total District Activity Funds	1,414	-	23,892	21,524	3,782	-	3,782